

## Message Text

UNCLASSIFIED

PAGE 01 STATE 035889

20

ORIGIN EB-07

INFO OCT-01 EUR-12 EA-09 IO-11 ISO-00 CU-04 STR-04 TRSE-00

COME-00 L-03 OES-05 MC-02 CIAE-00 INR-07 NSAE-00

ERDA-07 DODE-00 /072 R

DRAFTED BY EB/OT/STA:MNAYOR:JH

APPROVED BY EB/OT/STA:WCLARK, JR.

EUR/RPE:RBRESLER

CU/ARTS:GCRIDEN

STR:DWHITNACK

TREAS/CUSTOMS:PGUIGERE

COMMERCE:ADAUMAN:RSEPPA

L/ECP:EMAURER

L/T:MMCQUADE

----- 067864

R 130330Z FEB 76

FM SECSTATE WASHDC

TO USMISSION EC BRUSSELS

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY PARIS

AMEMBASSY BONN

AMEMBASSY DUBLIN

AMEMBASSY ROME

AMEMBASSY LUXEMBOURG

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

INFO USDEL MTN GENEVA

AMEMBASSY TOKYO

UNCLAS STATE 035889

INFO UNESCO

E.O. 11652: N/A

TAGS: ETRD, BEXP, EEC, BE

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 035889

SUBJECT: EC REGULATION 1798/75: CUSTOMS DUTIES ON  
EDUCATIONAL, SCIENTIFIC AND CULTURAL MATERIALS

REF: BRUSSELS 0425, COPENHAGEN 0406, BONN 0425

1. REGULATION NO. 1798/75 OF THE COUNCIL, DATED JULY 10, 1975 PROVIDES THAT WITH MINOR EXCEPTIONS SCIENTIFIC INSTRUMENTS AND APPARATUS IMPORTED EXCLUSIVELY FOR EDUCATIONAL PURPOSES OR FOR PURE SCIENTIFIC RESEARCH MAY BE ADMITTED FREE OF COMMON CUSTOMS TARIFF DUTIES PROVIDED.. QUOTE (B) INSTRUMENTS OR APPARATUS OF EQUIVALENT SCIENTIFIC VALUE ARE NOT BEING MANUFACTURED IN THE COMMUNITY. END QUOTE.

2. THE REGULATION CAME INTO EFFECT ON AUGUST 1, 1975 AND TO IMPLEMENT ITS PROVISIONS THE BELGIAN MINISTRY OF FINANCE ISSUED NEW CUSTOMS DIRECTIVE (SUPPLEMENT 42, 314/26-314/32) WHICH REQUIRES IMPORTERS TO DOCUMENT NON-AVAILABILITY OF EQUIVALENT INSTRUMENTS OR APPARATUS IN THE COMMUNITY. THE FRG AND DENMARK ARE ALSO IMPLEMENTING THE EC REGULATION.

3. BELGIUM AND OTHER EC COUNTRIES (EXCEPT IRELAND) ARE PARTIES TO THE FLORENCE AGREEMENT WHICH ENTERED INTO FORCE IN 1952. THE AGREEMENT PROVIDES FOR THE FREE EXCHANGE OF IDEAS AND KNOWLEDGE THROUGH THE WAIVER OF CUSTOMS TARIFFS ON CERTAIN EDUCATIONAL SCIENTIFIC AND CULTURAL MATERIALS. WITH REGARD TO SCIENTIFIC INSTRUMENTS OR APPARATUS IN PARTICULAR, THE AGREEMENT PROVIDES FOR DUTY FREE ENTRY OF INSTRUMENTS IMPORTED BY SCIENTIFIC OR EDUCATIONAL INSTITUTIONS, PROVIDED, AMONG OTHER THINGS "THAT INSTRUMENTS OR APPARATUS OF EQUIVALENT SCIENTIFIC VALUE ARE NOT BEING MANUFACTURED IN THE COUNTRY OF IMPORTATION." (TIAS 6129, ARTICLE IB, ANNEX D) IT APPEARS THAT THE NEW REGULATION, WHEN IMPLEMENTED BY MEMBER STATES, WILL VIOLATE THE ANNEX D PROVISIONS OF THE FLORENCE AGREEMENT BY APPLYING THE EQUIVALENT SCIENTIFIC VALUE CRITERION ON A COMMUNITY WIDE BASIS RATHER THAN ON A COUNTRY-OF-IMPORTATION BASIS AGREED TO BY ALL CONTRACTING PARTIES. MOREOVER, THE NEW REGULATION APPEARS TO BE IN CONTRAVENTION

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 035889

OF ARTICLE IV OF THE AGREEMENT WHICH CALLS FOR CONTINUED EFFORTS TO PROMOTE THE FREE CIRCULATION OF SUCH MATERIALS AND TO SIMPLIFY ADMINISTRATIVE PROCEDURES AND TO FACILITATE THE EXPEDITIOUS AND SAFE CUSTOMS CLEARANCE THEREOF. PASSAGE OF THE REGULATION BY THE MEMBER STATES WOULD SEEM, IN AND OF ITSELF, TO BE INCONSISTENT WITH THE

SPIRIT OF THE FLORENCE AGREEMENT.

4. THE PARTICULAR PROBLEM FOR THE U.S. IS THAT THE DEFINITION OF DOMESTIC SCIENTIFIC EQUIVALENCY IS EXTENDED TO ENCOMPASS THE EC COMMUNITY AREA. THE EFFECT OF THE NEW EC REGULATION IS TO CREATE A VERY BROAD AREA FOR DETERMINING AVAILABILITY OF EQUIVALENT INSTRUMENTATION AND THEREBY DISCRIMINATES AGAINST U.S. ORIGIN SCIENTIFIC INSTRUMENTS. A U.S. FIRM AND A TRADE ASSOCIATION HAVE ALREADY COMPLAINED ABOUT THE NEW EC REGULATION AND HAVE ASKED FOR USG ASSISTANCE. FURTHERMORE, FAR FROM SIMPLIFYING THE ADMINISTRATIVE PROCEDURES FOR DUTY EXEMPTIONS, THE EC REGULATION APPEARS TO HAVE MADE THEM MORE COMPLEX AND CUMBERSOME BY REQUIRING CONSULTATION UNDER A COMMITTEE ARRANGEMENT TO ALLOW "CLOSE AND EFFECTIVE COLLABORATION" IN ORDER TO PERMIT VERIFICATION AT THE COMMUNITY LEVEL THAT THE COMMUNITY WIDE CONDITIONS FOR GRANTING DUTY FREE ADMISSION HAVE BEEN FULFILLED.

5. FOR AMEMBASSY BRUSSELS - THE BELGIAN MEASURE TO IMPLEMENT THE EC REGULATION IS PARTICULARLY INAPPROPRIATE AT THIS TIME SINCE SIGNATORIES TO THE FLORENCE AGREEMENT ARE PREPARING FOR A MARCH 1976 UNESCO MEETING ON THE PROPOSED PROTOCOL TO THE FLORENCE AGREEMENT WHICH IS

DESIGNED TO "LIBERALIZE" AND "EXTEND" THE SCOPE OF BASIC AGREEMENT. EMBASSY OFFICER SHOULD MAKE APPROPRIATE LEVEL DEMARCHE BASED ON BELGIUM'S INTERNATIONAL OBLIGATIONS AS A PARTY TO THE FLORENCE AGREEMENT AND SHOULD COMMUNICATE U.S. VIEW THAT ANY NEW REGULATIONS PROMULGATED TO IMPLEMENT THE EC POLICY SHOULD BE POSTPONED UNTIL THE U.S. AND THE EC HAVE CLARIFIED THE ISS BOTH IN BILATERAL CONSULTATIONS AND WITH UNESCO.

UNCLASSIFIED

UNCLASSIFIED

PAGE 04 STATE 035889

6. FOR USEC BRUSSELS - MISSION OFFICER SHOULD MAKE APPROPRIATE WRITTEN DEMARCHE BASED ON ABOVE. THE U.S. DOES NOT WISH TO INVOLVE ITSELF IN INTERNAL AFFAIRS OF THE COMMUNITY. HOWEVER, REGULATION 1798/75 DISREGARDS MEMBER STATES' OBLIGATIONS UNDER THE FLORENCE AGREEMENT AND WILL HAVE A RESTRICTIVE IMPACT ON OUR TRADE WITH MEMBER STATES. IT SHOULD BE REQUESTED THAT REGULATION 1798/75 BE RECONSIDERED IN LIGHT OF THE U.S. OBSERVATIONS, AND IN ORDER FOR MEMBER STATES TO COMPLY WITH THE PROVISIONS AND SPIRIT OF THE FLORENCE AGREEMENT. IT SHOULD BE NOTED THAT IMPORTS OF SCIENTIFIC INSTRUMENTS MANUFACTURED IN THE EC BENEFIT FROM UNCONDITIONAL DUTY-FREE ENTRY UNDER THE PROVISIONS OF THE EC CUSTOMS UNION. THEREFORE, IF EQUIVALENT EQUIPMENT IS MANUFACTURED IN THE EC, THERE IS ALREADY AN INCENTIVE FOR IMPORTERS TO

PURCHASE EC EQUIPMENT. THE NEW REGULATION GOES BEYOND THIS INCENTIVE BY CREATING A VERY BROAD TEST FOR DETERMINING AVAILABILITY OF EQUIVALENT INSTRUMENTATION WHICH RESULTS IN DISCRIMINATION AGAINST U.S. GOODS.

7. FOR ALL EC CAPITALS: EMBASSY OFFICERS ARE REQUESTED TO DETERMINE AND REPORT WHAT ACTIONS HAVE BEEN TAKEN OR ARE CONTEMPLATED BY HOST GOVERNMENTS TO IMPLEMENT EC 1798/75, AND WHETHER POSSIBILITIES EXIST TO POSTPONE SUCH MOVES. POSTS SHOULD ALSO CONTACT TRADE SOURCES TO ASCERTAIN IMPACT OF EC REGULATION ON IMPORTS OF SCIENTIFIC INSTRUMENTS FROM THE U.S. DATA ON 1974 OR 1975 IMPORTS OF SCIENTIFIC INSTRUMENTS AND APPARATUS UNDER THE FLORENCE AGREEMENT WOULD BE MOST HELPFUL. WITH EXCEPTION OF DUBLIN, EMBASSY OFFICERS SHOULD MAKE APPROPRIATE LEVEL DEMARCHE BASED ON ABOVE AND ON HOST GOVERNMENT ACTIONS TO DATE, STRESSING INTERNATIONAL OBLIGATIONS OF GOVERNMENTS WHICH ARE PARTIES TO FLORENCE AGREEMENT. INGERSOLL

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LABORATORY EQUIPMENT, CUSTOMS DUTIES, DUTY FREE ENTRY, IMPORT CONTROLS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 13 FEB 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976STATE035889  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** MNAYOR:JH  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760056-0839  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760249/aaaabqxn.tel  
**Line Count:** 188  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN EB  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 BRUSSELS 425, 76 COPENHAGEN 406, 76 BONN 425  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** housmasa  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 06 JUL 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <06 JUL 2004 by oatisao>; APPROVED <04 OCT 2004 by housmasa>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EC REGULATION 1798/75: CUSTOMS DUTIES ON EDUCATIONAL, SCIENTIFIC AND CULTURAL MATERIALS  
**TAGS:** ETRD, BEXP, BE, EEC  
**To:** EC BRUSSELS MULTIPLE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006